BrokerCheck Report

R.W. TOWT & ASSOCIATES

CRD# 128837

When communicating online or investing with any professional, make sure you know who you're dealing with. Imposters might link to sites like BrokerCheck from phishing or similar scam websites, or through social media, trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
    - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
    - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.

Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org

For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

R.W. TOWT & ASSOCIATES

CRD# 128837

SEC# 8-66182

Main Office Location

10022 PASEO MONTRIL, SUITE 228
SAN DIEGO, CA 92129

Mailing Address

10022 PASEO MONTRIL, SUITE 228
SAN DIEGO, CA 92129

Business Telephone Number

858-780-0873

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 01/08/2002.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This brokerage firm is no longer registered with FINRA or a national securities exchange.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	8
Arbitration	1

Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 01/08/2002.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

R.W. TOWT & ASSOCIATES

Doing business as R.W. TOWT & ASSOCIATES

CRD# 128837

SEC# 8-66182

Main Office Location

10022 PASEO MONTRIL, SUITE 228
SAN DIEGO, CA 92129

Mailing Address

10022 PASEO MONTRIL, SUITE 228
SAN DIEGO, CA 92129

Business Telephone Number

858-780-0873

Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	TOWT, RICHARD WARREN 448621
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CFO, DIR.CCO
Position Start Date	01/2002
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	MICHAUD, MICHAEL PATRICK 863917
Is this a domestic or foreign entity or an individual?	Individual
Position	GENERAL SECURITIES PRINCIPAL, MUNICIPAL SECURITIES PRINCIPAL
Position Start Date	05/2003
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.

Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.

Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is no longer registered.

The firm's registration was from 03/26/2004 to 03/14/2013.

Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business
Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Mutual fund retailer
U S. government securities broker
Municipal securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Investment advisory services
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities

Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	STERNE, AGEE & LEACH, INC.
CRD #:	791
Business Address:	1489 WEST PALMETTO PARK RD, SUITE 355 BOCA RATON, FL 33486
Effective Date:	06/19/2009
Description:	R. W. TOWT & ASSOCIATES (TOWT) WILL ACT AS AN INTRODUCING BROKER/DEALER. IN THIS REGARD, TOWT HAS NEGOTIATED A CLEARING AGREEMENT WITH STERNE, AGEE CLEARING (SAL) WHEREBY SAL WILL ACT AS TOWT'S CLEARING BROKER/DEALER, UNDER THIS AGREEMENT SAL WILL PROVIDE EXECUTION SERVICE, MAIANTAIN TOWT'S CUSTOMER ACCOUNTS, ACT AS TOWT'S BACK OFFICE, MAINTAIN CERTAIN BOOKS AND RECORDS REQUIRED BY SEC RULES 17A-3 AND 17A-4 AND PROVIDE SAFE-KEEPING SERVICE WHEN REQUIRED.

Firm Operations

Industry Arrangements

This firm does have books or records maintained by a third party.

Name: STERNE, AGEE & LEACH, INC.

CRD #: 791

Business Address: 1489 WEST PALMETTO PARK RD, SUITE 355
BOCA RATON, FL 33486

Effective Date: 06/19/2009

Description: R.W.TOWT & ASSOCIATES (TOWT) WILL ACT AS AN INTRODUCING BROKER/DEALER. IN THIS REGARD, TOWT HAS NEGOTIATED A CLEARING AGREEMENT WITH STERNE AGEE CLEARING (SAL) WHEREBY SAL WILL ACT AS TOWT'S CLEARING BRFOKER/DEALER, UNDER THIS AGREEMENT SAL WILL PROVIDE EXECUTION SERVICES, MAINTAIN TOWT'S CUSTOMER ACCOUNTS, ACT AS TOWT'S BACK OFFICE, MAINTAIN CERTAIN BOOKS AND RECORDS REQUIRED BY SEC RULES 17A-3 AND 17A-4 AND PROVIDE SAFE-KEEPNG SERVICES WHEN REQUIRED.

This firm does have accounts, funds, or securities maintained by a third party.

Name: STERNE, AGEE & LEACH, INC.

CRD #: 791

Business Address: 1489 WEST PALMETTO PARK ROAD, SUITE 355
BOCA RATON, FL 33486

Effective Date: 06/19/2009

Description: R.W.TOWT & ASSOCIATES (TOWT) WILL ACT AS AN INTRODUCING BROKER/DEALER. IN THIS REGARD, TOWT HAS NEGOTIATED A CLEARING AGREEMENT WITH STERNE AGEE CLEARING (SAL) WHEREBY SAL WILL ACT AS TOWT'S CLEARING BRFOKER/DEALER, UNDER THIS AGREEMENT SAL WILL PROVIDE EXECUTION SERVICES, MAINTAIN TOWT'S CUSTOMER ACCOUNTS, ACT AS TOWT'S BACK OFFICE, MAINTAIN CERTAIN BOOKS AND RECORDS REQUIRED BY SEC RULES 17A-3 AND 17A-4 AND PROVIDE SAFE-KEEPNG SERVICES WHEN REQUIRED.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: STERNE, AGEE & LEACH, INC.

CRD #: 791

Business Address: 1489 WEST PALMETTO PARK RD, SUITE 355

Firm Operations

Industry Arrangements (continued)

	BOCA RATON, FL 33486
Effective Date:	06/19/2009
Description:	R.W.TOWT & ASSOCIATES (TOWT) WILL ACT AS AN INTRODUCING BROKER/DEALER. IN THIS REGARD, TOWT HAS NEGOTIATED A CLEARING AGREEMENT WITH STERNE AGEE CLEARING (SAL) WHEREBY SAL WILL ACT AS TOWT'S CLEARING BRFOKER/DEALER, UNDER THIS AGREEMENT SAL WILL PROVIDE EXECUTION SERVICES, MAINTAIN TOWT'S CUSTOMER ACCOUNTS, ACT AS TOWT'S BACK OFFICE, MAINTAIN CERTAIN BOOKS AND RECORDS REQUIRED BY SEC RULES 17A-3 AND 17A-4 AND PROVIDE SAFE-KEEPNG SERVICES WHEN REQUIRED.

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- **in control of**
- **controlled by**
- **or under common control with**

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

This firm is not directly or indirectly, controlled by the following:

- **bank holding company**
- **national bank**
- **state member bank of the Federal Reserve System**
- **state non-member bank**
- **savings bank or association**
- **credit union**
- **or foreign bank**

Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	8	0
Arbitration	N/A	1	N/A

Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
   - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
   - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
   - A disclosure event may have a status of *pending, on appeal,* or *final.*
     - A "pending" event involves allegations that have not been proven or formally adjudicated.
     - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
     - A "final" event has been concluded and its resolution is not subject to change.
   - A final event generally has a disposition of *adjudicated, settled* or *otherwise resolved.*
     - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
     - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
     - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 8

Reporting Source:	Regulator
Current Status:	Final

Allegations:

FINRA RULE 2010 AND NASD RULE 2210: A STOCK PROMOTER TELEPHONED AN INDIVIDUAL, THE FIRM'S PRESIDENT, CHIEF COMPLIANCE OFFICER, CHIEF FINANCIAL OFFICER, AND MEMBER OF ITS BOARD OF DIRECTORS, TO PROPOSE A BUSINESS ARRANGEMENT PURSUANT TO WHICH THE STOCK PROMOTER WOULD PREPARE AND PUBLISH NEWS ARTICLES UNDER THE MEMBER FIRM'S NAME AND, IN EXCHANGE, PAY THE FIRM $1,000 PER ARTICLE.
THE STOCK PROMOTER ISSUED THE FIRST RELEASE, DISCUSSING THE WIND POWER INDUSTRY AND PUBLIC COMPANIES INVOLVED IN THE WIND INDUSTRY. THE RELEASE FAILED TO PROVIDE ANY REASONABLE BASIS FOR BELIEVING THE ASSERTIONS AND FAILED TO PROVIDE A SOUND BASIS FOR EVALUATING THE FACTS WITH RESPECT TO THE WIND INDUSTRY IN GENERAL AND THE SPECIFIC SECURITIES REFERENCED. THE RELEASE FAILED TO DISCLOSE RISKS AND UNCERTAINTIES INVOLVED IN THE WIND POWER BUSINESS AND OMITTED MENTION OF SERIOUS FINANCIAL AND OPERATIONAL DIFFICULTIES THAT THE PUBLIC COMPANIES FACED. ALTHOUGH THE RELEASE MENTIONED TWO EXCHANGE TRADED FUNDS, IT DID NOT CONTAIN THE DISCLOSURE REQUIRED PURSUANT TO SEC RULE 482(B)(1).
THE FIRM RECEIVED A BANK WIRE FOR $1,000 IN ACCORDANCE WITH THE INDIVIDUAL'S AND THE STOCK PROMOTER'S AGREEMENT. LATER THAT MONTH, IN AN EMAIL, THE STOCK PROMOTER PROPOSED LOWERING THE PAYMENT PER ARTICLE TO $750. IN REPLY, THE INDIVIDUAL AGREED TO THE PRICE REDUCTION AND, FOR THE FIRST TIME, REQUESTED A COPY OF ANY ARTICLES PUBLISHED TO DATE. THE STOCK PROMOTER RESPONDED THAT THERE HAD BEEN ONLY ONE ARTICLE AND SENT THE INDIVIDUAL A COPY OF THE PRESS RELEASE.
THE STOCK PROMOTER ISSUED A SECOND RELEASE, WHICH ALSO CONCERNED THE WIND POWER INDUSTRY AND AGAIN REFERENCED THE PUBLIC COMPANIES, AMONG OTHER PUBLIC COMPANIES. THE BODY OF THE RELEASE CONTAINED ADDITIONAL UNSUPPORTED CLAIMS AND FAILED TO REFERENCE ANY BASIS FOR ITS ASSERTIONS REGARDING UPGRADES TO THE ELECTRICAL GRID IN THE PANHANDLE OF TEXAS, OR THE IMPLICATION THAT THE PUBLIC COMPANY HAD "SHOVEL READY" PROJECTS THAT MIGHT BENEFIT FROM THE UPGRADES.
THE FIRM RECEIVED A SECOND BANK WIRE FROM THE STOCK PROMOTER, THIS TIME FOR $750. THE INDIVIDUAL AND THE FIRM DID NOT RECEIVE ANY DRAFT RELEASES, AND DID NOT RECEIVE COPIES OF THE FINAL RELEASES UNTIL AFTER THE RELEASES WERE PUBLISHED. THE INDIVIDUAL AND THE FIRM DID NOT REVIEW, OR VERIFY ANY OF THE INFORMATION IN THE RELEASES BEFORE PUBLICATION.
BOTH RELEASES CONTAINED INACCURATE AND MISLEADING INFORMATION, BY FALSELY ASSERTING THAT THEY WERE ISSUED BY A MEMBER OF THE FINANCIAL INDUSTRY REGULATORY AUTHORITY AND NEITHER RELEASE INDICATED THAT THAT THE STOCK PROMOTER HAD

PREPARED AND ISSUED THE RELEASES AND HAD PAID A FEE TO USE THE FIRM'S NAME. NEITHER RELEASE INDICATED THAT THE STOCK PROMOTER, THE REAL AUTHOR, HAD CLOSE AFFILIATIONS WITH TWO OF THE ISSUERS MENTIONED FAVORABLY IN THE RELEASES AND THE RELEASES FAILED TO DISCLOSE THAT THE PUBLIC COMPANIES WERE FACING SERIOUS FINANCIAL AND OPERATIONAL DIFFICULTIES AND THAT BOTH HAD RECEIVED GOING CONCERN OPINIONS FROM THEIR RESPECTIVE AUDITORS.
THE PRESS RELEASES CONSTITUTED ADVERTISEMENTS AS DEFINED IN NASD RULE 2210(A)(1). BOTH PURPORTED TO BE ORIGINAL RESEARCH AND WERE ISSUED UNDER THE FIRM'S NAME. ALTHOUGH THE FIRM HAD NOT PREVIOUSLY FILED ADVERTISEMENTS WITH THE ADVERTISING REGULATION DEPARTMENT, THE INDIVIDUAL AND THE FIRM DID NOT FILE THE RELEASES WITH THE ADVERTISING REGULATION DEPARTMENT PRIOR TO USE. BOTH RELEASES FALSELY CLAIMED THAT THE FIRM RATHER THAN THE STOCK PROMOTER ISSUED THE RELEASES AND OMITTED FACTS THAT CAUSED THE RELEASES TO BE MISLEADING. THE RELEASES DID NOT REFERENCE ANY SOURCES TO SUPPORT OPTIMISTIC STATEMENTS REGARDING SPECIFIC ISSUERS MENTIONED OR THE WIND POWER INDUSTRY GENERALLY. THE RELEASES FAILED TO PROVIDE A SOUND BASIS FOR EVALUATING FACTUAL ASSERTIONS. THERE WAS NO DISCUSSION OF RISKS OR UNCERTAINTIES INVOLVED IN THE WIND POWER BUSINESS IN GENERAL, OR RISKS FACED BY SPECIFIC ISSUERS LIKE THE PUBLIC COMPANIES, WHICH WERE EXPERIENCING SERIOUS OPERATIONAL AND FINANCIAL PROBLEMS.

Initiated By:	FINRA
Date Initiated:	04/01/2013
Docket/Case Number:	2012031056001
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Other
Other Sanction(s)/Relief Sought:	N/A
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	04/01/2013

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	
Other Sanctions Ordered:	UNDERTAKINGS
Sanction Details:	WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM CONSENTED TO THE DESCRIBED SANCTIONS AND TO THE ENTRY OF FINDINGS, THEREFORE IT IS CENSURED, FOR A PERIOD OF SIX MONTHS AFTER ITS CURRENTLY SUSPENDED REGISTRATION BECOMES EFFECTIVE, SHALL NOT ISSUE ANY ADVERTISEMENT OR SALES LITERATURE, OR ALLOW ITS NAME TO BE USED IN ANY SUCH COMMUNICATIONS, AND FOR ONE YEAR AFTER THE SIX MONTHS AND ONE YEAR AFTER THE INDIVIDUAL'S SUSPENSION, SHALL FILE WITH FINRA'S ADVERTISING REGULATION DEPARTMENT AT LEAST 10 BUSINESS DAYS PRIOR TO USE, ALL COMMUNICATIONS. IN LIGHT OF THE INDIVIDUAL'S FINANCIAL STATUS, LISTING THE FIRM AS AN ASSET, NO MONETARY SANCTIONS HAVE BEEN IMPOSED.

Disclosure 2 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT R.W. TOWT & ASSOCIATES FAILED TO FILE ITS DECEMBER 2012 SCHEDULE I REPORT WITHIN 21 DAYS AFTER SERVICE OF THE NOTICE OF SUSPENSION
Initiated By:	FINRA
Date Initiated:	02/11/2013
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Other

Resolution Date:	03/05/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO FINRA RULE 9552, R.W. TOWT & ASSOCIATES' FINRA MEMBERSHIP IS SUSPENDED AS OF THE CLOSE OF BUSINESS MARCH 5, 2013. IF THE FIRM FAILS TO REQUEST TERMINATION OF THE SUSPENSION WITHIN THREE MONTHS, IT WILL AUTOMATICALLY BE EXPELLED.

Disclosure 3 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT R.W. TOWT & ASSOCIATES FAILED TO FILE ITS DECEMBER 2012 FOCUS REPORT WITHIN 21 DAYS AFTER SERVICE OF THE NOTICE OF SUSPENSION
Initiated By:	FINRA
Date Initiated:	02/11/2013
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	03/05/2013

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO FINRA RULE 9552, R.W. TOWT & ASSOCIATES' FINRA MEMBERSHIP IS SUSPENDED AS OF THE CLOSE OF BUSINESS MARCH 5, 2013. IF THE FIRM FAILS TO REQUEST TERMINATION OF THE SUSPENSION WITHIN THREE MONTHS, IT WILL AUTOMATICALLY BE EXPELLED.

Disclosure 4 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT R.W. TOWT & ASSOCIATES FAILED TO FILE ITS NOVEMBER 2012 FOCUS REPORT WITHIN 21 DAYS AFTER SERVICE OF THE NOTICE OF SUSPENSION.
Initiated By:	FINRA
Date Initiated:	01/14/2003
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	02/05/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No

Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO FINRA RULE 9552, R.W. TOWT'S FINRA MEMBERSHIP IS SUSPENDED AS OF THE CLOSE OF BUSINESS FEBRUARY 5, 2013. IF THE FIRM FAILS TO REQUEST TERMINATION OF THE SUSPENSION WITHIN THREE MONTHS, IT WILL BE AUTOMATICALLY EXPELLED.

Disclosure 5 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	R.W. TOWT WAS SUSPENDED BY FINRA FOR FAILURE TO PAY FEES. THE MARYLAND SECURITES COMMISSIONER ISSUED AN ORDER TO SHOW CAUSE WHY REGISTRATION SHOULD NOT BE REVOKED. R.W. TOWT DID NOT RESPOND TO THE ORDER TO SHOW CAUSE.
Initiated By:	MARYLAND DIVISION OF SECURITIES
Date Initiated:	11/13/2012
Docket/Case Number:	2012-0440
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Revocation
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	01/22/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	

Sanction Details:	ORDER TO SHOW CAUSE ISSUED STATING THAT FAILURE TO REQUEST A HEARING WOULD RESULT IN FINAL ORDER OF REVOCATION. R.W. TOWT DID NOT RESPOND.

Disclosure 6 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT R.W. TOWT & ASSOCIATES FAILED TO FILE ITS OCTOBER 2012 FOCUS REPORT WITHIN 21 DAYS AFTER SERVICE OF THE NOTICE OF SUSPENSION.
Initiated By:	FINRA
Date Initiated:	12/11/2012
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	03/14/2013
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Revocation/Expulsion/Denial
Other Sanctions Ordered:	
Sanction Details:	RESPONDENT R.W.TOWT & ASSOCIATES IS EXPELLED FROM FINRA MEMBERSHIP ON MARCH 14, 2013 FOR FAILING TO REQUEST TERMINATION OF SUSPENSION WITHIN THREE MONTHS OF RECEIVING THE NOTICE OF SUSPENSION LETTER.
Regulator Statement	RESPONDENT R.W. TOWT & ASSOCIATES' FINRA MEMBERSHIP WAS SUSPENDED ON JANUARY 2, 2013 FOR FAILING TO FILE ITS OCTOBER 2012

	FOCUS REPORT PURSUANT TO FINRA RULE 9552. THE FIRM FAILED TO REQUEST TERMINATION OF THE SUSPENSION WITHIN THREE MONTHS; THEREFORE, IT IS AUTOMATICALLY EXPELLED.

Disclosure 7 of 8

Reporting Source:	Regulator
Current Status:	Final
Allegations:	RESPONDENT R.W. TOWT & ASSOCIATES FAILED TO PAY FEES OF $2,710.00 DUE TO FINRA AS A RESULT OF AN ANNUAL ASSESSMENT.
Initiated By:	FINRA
Date Initiated:	08/30/2012
Docket/Case Number:	N/A
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Suspension
Other Sanction(s)/Relief Sought:	
Resolution:	Other
Resolution Date:	09/20/2012
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Suspension
Other Sanctions Ordered:	
Sanction Details:	PURSUANT TO FINRA RULE 9553, R.W. TOWT & ASSOCIATES' MEMBERSHIP WITH FINRA WAS SUSPENDED AS OF SEPTEMBER 20, 2012 FOR FAILURE TO PAY OUTSTANDING FEES.

Disclosure 8 of 8

Reporting Source:	Regulator

Current Status:	Final
Allegations:	THE FIRM OPERATED A PLACE OF BUSINESS IN THIS STATE OTHER THAN THE PRINCIPAL OFFICE OF THE BROKER-DEALER, FROM WHICH ONE OR MORE SALES REPRESENTATIVES TRANSACTED BUSINESS WITHOUT THE BENEFIT OF BEING LICENSED IN VIOLATION OF NRS 90.360 (2) AND (3). IN ADDITION, THE FIRM FAILED TO LICENSE A SALES REPRESENTATIVE IN THE STATE OF NEVADA, AS REQUIRED PURSUANT TO NRS 90.310.
Initiated By:	NEVADA
Date Initiated:	06/29/2011
Docket/Case Number:	I11-068 DLC
URL for Regulatory Action:	
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Civil and Administrative Penalt(ies) /Fine(s)
Other Sanction(s)/Relief Sought:	
Resolution:	Order
Resolution Date:	06/29/2011
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Monetary/Fine $2,000.00
Other Sanctions Ordered:	
Sanction Details:	FINE PAID IN FULL ON 6/29/11.

Arbitration Award - Award / Judgment

Brokerage firms are not required to report arbitration claims filed against them by customers; however, BrokerCheck provides summary information regarding FINRA arbitration awards involving securities and commodities disputes between public customers and registered securities firms in this section of the report.
The full text of arbitration awards issued by FINRA is available at www.finra.org/awardsonline.

Disclosure 1 of 1

Reporting Source:	Regulator
Type of Event:	ARBITRATION
Allegations:	ACCOUNT ACTIVITY-BRCH OF FIDUCIARY DT; ACCOUNT ACTIVITY-MISREPRESENTATION; ACCOUNT ACTIVITY-SUITABILITY; ACCOUNT RELATED-FAILURE TO SUPERVISE; ACCOUNT RELATED-NEGLIGENCE; TRADING DISPUTES-SELL OUTS
Arbitration Forum:	FINRA
Case Initiated:	04/26/2011
Case Number:	11-01582
Disputed Product Type:	
Sum of All Relief Requested:	$291,500.00
Disposition:	AWARD AGAINST PARTY
Disposition Date:	08/06/2012
Sum of All Relief Awarded:	$135,000.00

There may be a non-monetary award associated with this arbitration.
Please select the Case Number above to view more detailed information.

End of Report

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